Basic information

2010/0205(CNS) CNS - Consultation procedure Directive	Procedure completed
Value added tax VAT: refund to taxable persons established in another Member State Amending Directive 2008/9/EC 2005/0807(CNS) **Subject** 2.70.02 Indirect taxation, VAT, excise duties	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ECON Economic and Monetary Affairs	BOWLES Sharon (ALDE)	20/07/2010

Council of the European Union

Council configuration	Meetings	Date
Environment	3036	2010-10-14

European Commission

Commission DG	Commissioner
Taxation and Customs Union	ŠEMETA Algirdas

Key events

Date	Event	Reference	Summary
15/07/2010	Legislative proposal published	COM(2010)0381	Summary
07/09/2010	Committee referral announced in Parliament		
13/09/2010	Vote in committee		Summary
14/09/2010	Committee report tabled for plenary, 1st reading/single reading	A7-0247/2010	
22/09/2010	Decision by Parliament	T7-0330/2010	Summary
22/09/2010	Results of vote in Parliament		
14/10/2010	Act adopted by Council after consultation of Parliament		
14/10/2010	End of procedure in Parliament		
20/10/2010	Final act published in Official Journal		

Technical information

Procedure reference	2010/0205(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Directive
Amendments and repeals	Amending Directive 2008/9/EC 2005/0807(CNS)
Legal basis	Treaty on the Functioning of the European Union TFEU 113
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	ECON/7/03487

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE445.868	02/09/2010	
Committee report tabled for plenary, 1st reading/single reading		A7-0247/2010	14/09/2010	
Text adopted by Parliament, 1st reading/single reading		T7-0330/2010	22/09/2010	Summary

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2010)0381	15/07/2010	Summary
Commission response to text adopted in plenary	SP(2010)7193	13/10/2010	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES1170/2010	15/09/2010	

Additional information

Source	Document	Date
National parliaments	IPEX	
European Commission	EUR-Lex	

Final act

Directive 2010/0066
OJ L 275 20.10.2010, p. 0001

Value added tax VAT: refund to taxable persons established in another Member State

2010/0205(CNS) - 14/10/2010 - Final act

PURPOSE: extend the deadline for submission of a refund application under Directive 2008/9/EC laying down detailed rules for the refund of value added tax to 31 March 2011.

LEGISLATIVE ACT: Council Directive 2010/66/EC amending Directive 2008/9/EC laying down detailed rules for the refund of value added tax, provided for in Directive 2006/112/EC, to taxable persons not established in the Member State of refund but established in another Member State.

CONTENT: Directive 2008/9/EC laying down detailed rules for the refund of VAT, provided for in Directive 2006/112/EC, to taxable persons not established in the Member State of refund but established in another Member State, applies to refund applications submitted after 31 December 2009. In order to apply Directive 2008/9/EC, Member States are obliged to develop electronic portals via which taxable persons established in a Member State submit applications for the refund of VAT incurred in a State where they are not established. Those electronic portals should have been operational from 1 January 2010.

However, a number of serious delays and certain technical problems have affected the development and operation of the electronic portals in a limited number of Member States, thereby preventing the timely submission of certain refund applications.

Pursuant to Directive 2008/9/EC, refund applications are to be submitted to the Member State of establishment at the latest on 30 September of the calendar year following the refund period. Given that deadline, and the inoperability of some of the electronic portals, some taxable persons risk being unable to exercise their right to deduct VAT on expenses incurred in 2009. This deadline should therefore exceptionally be extended to 31 March 2011 for applications relating to refund periods in 2009.

In order to ensure that taxable persons will not be required to meet the deadline of 30 September 2010 in respect of applications relating to refund periods in 2009, the Council adopted this directive which provides for the **exceptional extension of the deadline for the submission of refund applications for expenses incurred in 2009 from 30 September 2010 to 31 March 2011**.

ENTRY INTO FORCE: 21/10/2010.

Value added tax VAT: refund to taxable persons established in another Member State

2010/0205(CNS) - 15/07/2010 - Legislative proposal

PURPOSE: extend the deadline for submission of a refund application under Directive 2008/9/EC laying down detailed rules for the refund of value added tax to 31 March 2011.

PROPOSED ACT: Council Directive.

BACKGROUND: Council Directive 2008/9/EC (the Refund Directive) allows for non-established taxable persons to reclaim VAT on business expenses incurred in another Member State (the Member State of refund) via an electronic web portal set up in their own Member State (the Member State of establishment).

The Refund Directive states that applications should be submitted to the Member State of establishment at the latest on 30 September of the calendar year following the refund period. As the Directive came into force on 1 January 2010, any applications concerning 2009 are to be submitted to the Member State of establishment by 30 September 2010 at the latest.

Some Member States opened their web portals very late (up to the middle of May 2010) and there have been various technical problems with the operability and access to certain portals. Member States have also had divergent views of how the system should operate from a technical point of view, which have only come to light once the system has been operational. This has also contributed to a number of delays and problems in the submission and processing of applications.

Following a number of problems incurred in the practical application of the procedure at the level of several Member States, it is proposed to amend the Refund Directive in order to: (i) give taxable persons more time to submit applications relating to refund periods in 2009; (ii) provide that the Commission can adopt the necessary implementing measures following the opinion of the Standing Committee on Administrative Co-operation.

IMPACT ANALYSIS: as this measure does not significantly amend the existing measure, no impact assessment is necessary.

LEGAL BASIS: Article 113 of the Treaty on the Functioning of the European Union (TFEU).

CONTENT: the proposal will extend the deadline for submission of a refund application under Directive 2008/9/EC to 31 March 2011 exceptionally for applications concerning refund periods in 2009, and provide for certain implementing measures to be adopted under the procedure provided for in Council Regulation (EC) No 1798/2003 on administrative cooperation in the field of value added tax.

This would allow the Member States and the Commission to agree on the necessary technical aspects of application of the Directive, and hence improve the running of the system.

BUDGETARY IMPLICATION: the proposal has no negative impact on the EU budget.

Value added tax VAT: refund to taxable persons established in another Member State

2010/0205(CNS) - 22/09/2010 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 538 votes to 3, with 5 abstentions, a legislative resolution amending, under the consultation procedure, the proposal for a Council directive amending Directive 2008/9/EC laying down detailed rules for the refund of value added tax, provided for in Directive 2006/112/EC, to taxable persons not established in the Member State of refund but established in another Member State.

The amendment adopted in plenary aims to clarify the interim regime, pending the adoption of the regulation that will implement article 291 of the Treaty on the Functioning of the European Union (TFEU) (post-comitology regime). This amendment, which is based on the European Parliament’s standing practice, will make sure that the European Parliament’s rights in the framework of the comitology procedure are duly safeguarded during the interim period.